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February 26, 2021

TO: Chief School Administrators of School Districts Receiving Preschool Education Aid (PEA)

FROM: Cary A. Booker, Assistant Commissioner
Division of Early Childhood Education 

Kevin Dehmer, Assistant Commissioner/CFO
Division of Finance 

SUBJECT: Funding for Preschool Students with Disabilities

The Division of Early Childhood Education, Office of Preschool Education, and the Division of Finance, Office of School Funding have prepared this memorandum to provide clarification on the calculation of funding for preschool students with disabilities.

Funding for Preschool Students with Disabilities

Funding for preschool students with disabilities is calculated separately from the Preschool Education Aid calculation for general education preschoolers. All preschool students with disabilities, regardless of whether they are in general education or self-contained settings, are included in the calculation of the district's K-12 base aid for elementary students, as well as in the calculations for special education funding. In summary, for preschool students with disabilities the school district receives the elementary base aid amount (which includes costs for students who are considered at-risk, LEP, and/or receiving special education services) according to the district's state share, in the form of equalization aid. In addition, districts receive special education categorical aid and security aid for each preschool student with a disability enrolled.

Documenting Aid for Preschool Students with Disabilities in General Education

As all funding for preschoolers with disabilities is provided separately from PEA, when budgeting for classrooms that include both general education and preschool students with disabilities, special education funding must be combined with PEA in order to cover the full costs of those classrooms. Districts must indicate the amount of aid for preschool students with disabilities on the PEA District Budget Planning Worksheet and the supporting documentation in the annual District Budget Statement. Without this funding for preschool students with disabilities, the district is using PEA to fund more students than it is intended to fund, thus diluting funding for the preschool program.

If you have any questions, please contact Selina Foreman, Fiscal Specialist, in the Division of Early Childhood Education at selina.foreman@doe.nj.gov.

CAB/KD

c: Angelica Allen-McMillan, Ed.D., Acting Commissioner
Selina Foreman